

**Cable Office Report**  
**CCAC Meeting – January 23, 2008**

**Interim Cable Office Structure**

- Temporarily reorganized into two functional teams
- Administration and Franchising Services – Amy Wilson, Acting Supervisor
  - Franchise Negotiations and oversight
  - Budgets
  - Accounts payable/receivable
  - Legislative reporting
  - Policies and Procedures
  - Towers
- External Communications – Donna Keating, Acting Supervisor
  - Production services
  - TOC management
  - Television program services
  - CCM
  - PEG Network
  - Web services

**MFP Session**

- Monday, January 28 at 9:30, Packets will be available on Council's website on Friday 1/25
- Preliminary Cable Plan
- Quarterly Review
- MCT/Board of Directors

**Budget**

- 2% Savings
  - Projected shortfall for FY09 is \$401 million – nearly 10% of the the County's FY08 operating budget.
  - To begin addressing the FY09 shortfall by reducing expenditures in this FY. Proposed reductions are approximately 2% of the FY08 operating budget.
  - General Funds only
  - Hiring freeze
- Preliminary Cable Plan
  - Revenues projections are estimated to be over \$1,000,000 more per year than projected
  - Expenditures are higher than the approved budget for Municipal franchise fees and Municipal equipment and operations as these figures are based on revenues. All other expenditures are on track.
- FY09 Request
  - Has been submitted to OMB.
  - Meeting with OMB is scheduled for mid-February.
  - Meeting with County Executive has not been scheduled.
  - CE's recommended budget will be transmitted to March 17<sup>th</sup>.
  - Council will hold hearing on the budget and there will be MFP work sessions.
  - CCAC may want to submit recommendations to the CE and/or Council

## **Cavalier**

- Council Introduction the franchise on 1/15/08
- Hearing 2/5/08 at 1:30. To register to speak call Delphine Harriston 240-777-7931
- MFP Work Session – Date TBD

## **Legal**

- Comcast's Effective Competition filing  
As previously reported, Comcast has filed a Petition for Determination of Effective Competition with the FCC. If the Petition is granted, the County and the participating municipalities would lose the authority to regulate the rates for basic cable service, equipment and installation. Also, Comcast would not be required to provide uniform rates throughout the franchise area, could bundle services so that basic subscribers would have to subscribe to a higher tier of service in order to receive premium channels and may even be able to transfer subscribers to new tiers of service unless they affirmatively "opt-out". The Petition is currently being reviewed by the FCC. The County filed a surreply to correct erroneous information in the opposition filed by Comcast. On September 7, 2007, Comcast filed a motion to strike the surreply of Montgomery County, Maryland, and the County submitted opposition to that motion.

At this time, there is nothing new to report concerning this filing.

- FCC appeals  
The FCC has recently adopted two orders governing the terms of local franchising. These orders address a number of issues related to the process of granting cable franchises and the permissible terms. In addition, these orders could be interpreted to limit the uses for which the County may spend funds that it currently receives from cable operators under existing franchise agreements in connection with support for public, educational and governmental access channels and institutional networks. Under such an interpretation, a cable operator might assert the right to reduce certain of its payments. Which payments might be affected and by how much is a complex and largely hypothetical question, but even if an operator were to claim the FCC's orders allowed it to reduce some of its payments, there is no question that other payment obligations would remain in effect. Furthermore, we do not believe such potential interpretations are sound, and the County is one of many parties engaged in appeals of the validity of both orders. One or both of the appeals are likely to be decided during 2008. At this time, based on our legal counsel's opinion, we do not foresee any effect on the revenues received by the County from any of the incumbent cable operators. Nevertheless, there may be a risk that a cable operator could rely on the FCC's orders to assert the right to reduce certain of its payments.

## **Comcast**

- Telephone issues
  - Last quarter customers been experiencing issues when attempting to call in on the customer service number 301-424-4400.
  - We have met with Comcast to discuss the issues.
  - Comcast cited many issues as the cause – flooding of its facility, installation of a new phone switch and technical issues.

- Have been assured that the issues are being addressed but we continue to receive some complaint calls on this matter
- Rate Increases
  - Beginning in January 2008 implemented rate increases on many of their monthly services. 5.7% increase on expanded basic cable.
  - In February will increase the late fee assessment from a flat \$4.00 to 10% per month for any payment that has not been paid in full after 45 days from the day the invoice was sent.
- Compliance/Liquidated Damages
  - Continue to be out of compliance with the requirement that telephone answering time by a CAE not exceed 30 seconds. County assessed liquidated damages
  - Out of compliance on repairs and maintenance not requiring work within a subscriber premises be completed within 24 hours. County assessed liquidated damages
- Inspection Violations – Have met with Comcast to address the outstanding violations. Comcast is researching and will begin reporting to us on a weekly basis.

#### **RCN**

- Rate Increase
  - On 11/21 RCN increased many of its rates. Full basic cable service increased 5.5%
  - Increasing franchise fees from 5% to 5.9% to reflect an itemized pass through of the fees associated with cable advertisement and home shopping revenues. Our financial consultant is reviewing the financial records to verify if the increase is justifiable.
- Compliance/Warnings
  - Out of compliance for the time to transfer a call to a customer service rep. not exceed an additional 30 seconds. County will warn RCN
  - Out of compliance for the answered in 30 seconds category. County will warn RCN
  - Out of compliance for repairs completed within 24 hours. RCN has been warned.
- Inspection Violations – previously reported that there was a discrepancy between County and RCN's numbers of outstanding violations. RCN has been very cooperative on addressing the issue and by the end of the 4<sup>th</sup> quarter reduced the number from 1,400 to 141.

#### **Verizon**

- Interim Change – Al Carr was elected to serve out Jane's term in the House. Mr. Darian Gill will be the County's point of contact
- Rate Increase – Effective 1/20 Verizon increased rates for FiOS TV Premier package by 11.6%. Rates for installation, equipment and sports and movie packages were also increased.
- Activations – In December Takoma Park and the Town of Somerset were activated.
- Reporting – just began submitting quarterly reports. They are currently submitting regional numbers but must begin submitting County specific data for the 2008 first quarter reporting period.
- Inspections – County met with Verizon and reviewed our inspection and reporting procedures. Verizon has been cooperative in establishing communications to report their corrective work.





OFFICE OF CABLE AND  
COMMUNICATION SERVICES  
RECEIVED

2008 JAN 16 AM 9:25

OFFICE OF THE COUNTY EXECUTIVE  
ROCKVILLE, MARYLAND 20850


MONTGOMERY COUNTY DEPT  
OF TECHNOLOGY SERVICES

Isiah Leggett  
County Executive

## MEMORANDUM

January 15, 2008

TO: Michael J. Knapp, President  
Montgomery County Council

FROM: Isiah Leggett, County Executive 

SUBJECT: FY09 Preliminary Cable Communications Plan

In accordance with General Provision 8 of Resolution 16-172, I am pleased to submit to you the preliminary Cable Communications Plan for FY09. The preliminary plan includes:

- (a) a list of known Public, Education, and Government (PEG) activities and funding needs for FY08 through FY13;
- (b) any capital project expenditures proposed to be funded through the plan;
- (c) changes to approved multi-year expenditures; and
- (d) updated projections of plan revenues for FY08 through FY13.

The attached preliminary Cable Plan continues to support the needs of the PEG Network and other County cable and telecommunication goals. The Preliminary Plan strives to:

- assure that County residents are able to receive the highest quality cable and advanced broadband services;
- improve communications between the County and its residents;
- provide high quality customer service;
- increase the quality of PEG programming through the continued conversion to digital equipment and production technology;
- increase the quantity of original programming through increased production and acquisition of high quality local interest programming;
- increase services and programming to diverse and underserved populations;
- achieve PEG Network goals through the cooperative efforts and resource sharing among the participating public, education and government operators;
- foster a competitive market environment in the County, support a level playing field and encourage speedy and efficient regulatory processes to support the provision of cable and advanced telecom services;
- monitor federal, state, local legislation and regulations; and
- provide funding support for the FiberNet project.

The Plan includes updated expenditures for all cable activities in FY07 and FY08, and updated revenue estimates FY08 to FY13. Fund revenue projections for the FY08 – FY13 period are estimated to be over one million dollars more per year than projected in the approved FY08 plan, for a total

Michael J. Knapp  
January 15, 2008  
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increase of approximately \$7,287,000. The increase is attributed to new revenues generated as a result of the negotiated cable franchise agreement with Verizon, higher franchise fee payments as a result of increased subscriber use of new advanced services and increases in cable rates.

Resolution 16-172 also references the FY04 transfer from the Cable Fund to the General Fund, the FY06 transfer for the Automated Traffic Management System (ATMS), and the FY07 transfer to Maryland-National Capital Park and Planning Commission. Beginning in FY08 and continuing through FY12 repayments to the Cable Fund are scheduled.

The FY09 recommend CIP includes two projects requiring cable funds. The FiberNet project (#509651) and the Council Office Building (COB) renovations project (#010100). The estimated FY08 through FY13 draw for the FiberNet CIP project is \$9,835,000 and \$952,000 for the COB renovation project.

I have included for your information an updated Strategic Plan for FY09 through FY14 prepared by the PEG Network which outlines their goals and visions for PEG activities in the future.

The FCC has recently adopted two orders governing the terms of local franchising. These orders address a number of issues related to the process of granting cable franchises and the permissible terms. In addition, these orders could be interpreted to limit the uses for which the County may spend funds that it currently receives from cable operators under existing franchise agreements in connection with support for public, educational and governmental access channels and institutional networks. Under such an interpretation, a cable operator might assert the right to reduce certain types of its payments. Which payments might be affected and by how much is a complex and largely hypothetical question, but even if an operator were to claim the FCC's orders allowed it to reduce some of its payments, there is no question that other payment obligations would remain in effect. Furthermore, we do not believe such potential interpretations are sound, and the County is one of many parties engaged in appeals of the validity of both orders. One or both of the appeals are likely to be decided during 2008. At this time, based on our legal counsel's opinion, we do not foresee any effect on the revenues received by the County from any of the incumbent cable operators. Nevertheless, there may be a risk that a cable operator could rely on the FCC's orders to assert the right to reduce certain types of its payments.

On March 17<sup>th</sup>, I will recommend to the Council my FY09 Operating Budget for the County. At that time, I will also recommend resource allocations of the Cable Fund for FY09. If you have any questions or concerns on this matter, please feel free to contact Jennifer Bryant in the Office of Management and Budget at 240-777-2761.

IL:jrb/aw

Attachment

cc: E. Steven Emanuel, Chief Information Officer, DTS  
J Amy Wilson, DTS  
Jennifer Bryant, OMB

# PRELIMINARY FY09 CABLE COMMUNICATIONS PLAN (\$000's)

SCHEDULED EXPENDITURES	Actual FY06	Actual FY07	Approved FY08	Estimated FY08	FY09	FY10	FY11	FY12	FY13
<b>BEGINNING FUND BALANCE</b>	<b>1,607</b>	<b>2,642</b>	<b>1,281</b>	<b>2,408</b>	<b>2,164</b>	<b>3,906</b>	<b>5,300</b>	<b>6,877</b>	<b>8,392</b>
<b>REVENUES</b>									
5% Franchise Fee	11,263	9,547	9,849	10,296	10,584	10,881	11,186	11,499	12,152
G'Burg PEG Contribution	203	193	192	196	201	207	213	219	231
PEG Operating	1,984	2,167	2,207	2,734	2,811	2,889	2,970	3,053	3,226
PEG Capital/Equipment	230	239	246	248	255	262	269	277	293
Verizon Grant	0	250	200	200	200	200	200	0	0
FiberNet Operating	1,417	1,474	1,518	1,525	1,568	1,612	1,657	1,703	1,800
Interest Earned	154	151	200	200	200	200	210	220	240
Tower Review Fees	122	186	75	75	80	82	84	86	90
Miscellaneous	0	77	0	25	0	0	0	0	0
Transfer from the General Fund	0	0	432	432	1,232	832	832	832	0
<b>TOTAL ANNUAL REVENUES</b>	<b>15,373</b>	<b>14,284</b>	<b>14,919</b>	<b>15,931</b>	<b>17,131</b>	<b>17,165</b>	<b>17,621</b>	<b>17,889</b>	<b>18,032</b>
<b>TOTAL RESOURCES-CABLE FUND</b>	<b>16,980</b>	<b>16,926</b>	<b>16,200</b>	<b>18,339</b>	<b>19,295</b>	<b>21,071</b>	<b>22,921</b>	<b>24,766</b>	<b>26,424</b>
<b>EXPENDITURES</b>									
<b>A. FRANCHISE ADMINISTRATION</b>									
Personnel Costs	549	643	721 +	721	740	759	779	799	820
Oper. Exp. & Cap. Outlay	76	121	123 +	123	75	77	79	81	83
Engineering/Inspection	485	510	510 +	510	523	537	551	565	580
Indirect costs trans to Gen Fund	174	194	202 +	202	208	214	214	214	214
<b>SUBTOTAL</b>	<b>1,284</b>	<b>1,468</b>	<b>1,556</b>	<b>1,556</b>	<b>1,546</b>	<b>1,587</b>	<b>1,623</b>	<b>1,659</b>	<b>1,697</b>
<b>B. COUNTY ATTORNEY</b>									
Personnel Costs	67	68	81	81	85	89	93	97	101
<b>SUBTOTAL</b>	<b>67</b>	<b>68</b>	<b>81 +</b>	<b>81</b>	<b>85</b>	<b>89</b>	<b>93</b>	<b>97</b>	<b>101</b>
<b>C. OUTSIDE PROFESSIONAL SERVICES</b>									
Legal and other	389	386	405	405	416	427	438	449	461
<b>SUBTOTAL</b>	<b>389</b>	<b>386</b>	<b>405 +</b>	<b>405</b>	<b>416</b>	<b>427</b>	<b>438</b>	<b>449</b>	<b>461</b>
<b>D. MUNI. FRANCHISE FEE SHARING</b>									
Revenues to municipalities	636	705	709	741	743	783	805	828	851
<b>SUBTOTAL</b>	<b>636</b>	<b>705</b>	<b>709 +</b>	<b>741</b>	<b>743</b>	<b>783</b>	<b>805</b>	<b>828</b>	<b>851</b>
<b>E. MUNICIPAL EQUIPMENT &amp; OPERATIONS</b>									
Rockville Equipment (a)	43	53	54	95	98	100	103	106	109
Rockville PEG Operating Support (a)	60	62	64	65	67	69	71	73	75
Takoma Park Equipment (a)	43	55	54	95	98	100	103	106	109
Takoma Park PEG Oper. Support (a)	60	62	64	65	67	69	71	73	75
Municipal League Eqp. (a)	43	55	54	95	98	100	103	106	109
Muni. League PEG Oper. Support (a)	60	62	64	65	67	69	71	73	75
<b>SUBTOTAL</b>	<b>309</b>	<b>349</b>	<b>354 +</b>	<b>480</b>	<b>495</b>	<b>507</b>	<b>522</b>	<b>537</b>	<b>552</b>
<b>F. COUNTY CABLE MONTGOMERY</b>									
<b>Administration</b>									
Personnel Costs	166	177	304 +	304	316	329	342	355	355
Operating	18	11	25 +	25	25	26	27	28	29
Closed captioning	187	221	319 +	319	327	336	345	354	363
Technical Operations Center (TOC)	143	98	23 +	23	27	28	29	30	31
Arts PEG - AFI	0	0	0 +	0	0	0	0	0	0
VOD, Community BB, web services	30	40	48 +	48	49	50	51	52	53
<b>Public Information Office</b>									
Personnel Costs	182	198	185 +	274	282	290	299	308	317
Operating Expenses	8	6	12 +	12	12	12	13	14	15
Contracts - TV Production	385	376	414 +	325	336	347	358	370	383
<b>County Council</b>									
Personnel Costs	30	31	36 +	36	38	40	42	44	46
Operating Expenses	39	65	48 +	48	48	50	52	54	55
Contracts - TV Production	370	324	404 +	404	415	426	437	448	460
<b>MNCPPC</b>									
Personnel Costs	0	0	81 +	81	81	81	81	81	81
Operating Expenses	0	0	21 +	21	22	23	24	25	26
Contracts - TV Production	0	0	124 +	124	127	130	133	136	140
<b>SUBTOTAL</b>	<b>1,558</b>	<b>1,547</b>	<b>2,044</b>	<b>2,044</b>	<b>2,105</b>	<b>2,168</b>	<b>2,233</b>	<b>2,299</b>	<b>2,354</b>

These projections for the Cable TV Fund incorporate assumptions of annual resources and resource usage as well as projected end-of-year reserves available based on these assumptions. This scenario assumes that operating expenditures will experience net increases as a trend. Factors contributing to the assumed rate of increase include compensation adjustments, program and productivity improvements, and cost increases driven by inflation. This scenario represents one possible fiscal future based on the incorporated set of expenditure and resource assumptions. Other scenarios would occur if the County Executive and County Council adopted a different program plan or if the future brings different trends than presumed in the incorporated assumptions. The County Executive presents these fiscal projections as a tool for thinking about the future fiscal policy implications of the recommended program of expenditures and resources.

## PRELIMINARY FY09 CABLE COMMUNICATIONS PLAN (\$000's)

SCHEDULED EXPENDITURES	Actual FY06	Actual FY07	Approved FY08	Estimated FY08	FY09	FY10	FY11	FY12	FY13
<b>G. MONTGOMERY COLLEGE</b>									
Personnel Costs	752	868	1,000 <sup>3</sup>	1,000	1,026	1,053	1,080	1,108	1,137
Operating Expenses	187	199	219 <sup>3</sup>	219	225	231	237	243	249
<b>SUBTOTAL</b>	<b>939</b>	<b>1,067</b>	<b>1,219</b>	<b>1,219</b>	<b>1,251</b>	<b>1,284</b>	<b>1,317</b>	<b>1,351</b>	<b>1,386</b>
<b>H. PUBLIC SCHOOLS</b>									
Personnel Costs	1,080	1,173	1,234 <sup>4</sup>	1,234	1,266	1,299	1,333	1,368	1,404
Operating Expenses	158	210	287 <sup>4</sup>	287	294	302	310	318	326
<b>SUBTOTAL</b>	<b>1,238</b>	<b>1,383</b>	<b>1,521</b>	<b>1,521</b>	<b>1,560</b>	<b>1,601</b>	<b>1,643</b>	<b>1,686</b>	<b>1,730</b>
<b>I. COMMUNITY ACCESS ORGANIZATIONS (b)</b>									
Personnel Costs	1,548	1,685	1,779	1,779	1,825	1,872	1,921	1,971	2,022
Operating Expenses	726	720	755	755	775	795	816	837	859
<b>SUBTOTAL</b>	<b>2,274</b>	<b>2,405</b>	<b>2,534 +</b>	<b>2,534</b>	<b>2,600</b>	<b>2,667</b>	<b>2,737</b>	<b>2,808</b>	<b>2,881</b>
<b>J. PEG NETWORK</b>									
PEG Equipment Replacement	783	822	900 +	900	843	885	930	976	1025
Emergency Equipment Reserve	0	12	80 +	80	82	84	86	88	90
PEG Network Engineering & Admin	40	142	40 +	40	44	46	49	51	54
Community Programming	35	46	100 +	100	102	104	106	108	110
PEG Promotion	30	8	35 +	35	36	37	38	40	42
PEG Network Operating	55	20	125 +	125	128	131	134	137	141
Mobile Production Vehicle	593	78	82 +	82	86	90	95	100	105
<b>SUBTOTAL</b>	<b>1536</b>	<b>1128</b>	<b>1,362</b>	<b>1,362</b>	<b>1,321</b>	<b>1,377</b>	<b>1,438</b>	<b>1,500</b>	<b>1,567</b>
<b>K. OTHER</b>									
Down County Comm. Media Facility	12	0	0 +	0	0	0	0	0	0
Grants to Organizations	39	39	39 +	39	39	39	39	39	39
<b>SUBTOTAL</b>	<b>51</b>	<b>39</b>	<b>39</b>	<b>39</b>	<b>39</b>	<b>39</b>	<b>39</b>	<b>39</b>	<b>39</b>
<b>PEG + ADMIN. SUBTOTAL</b>	<b>10,281</b>	<b>10,545</b>	<b>11,824</b>	<b>11,982</b>	<b>12,161</b>	<b>12,529</b>	<b>12,888</b>	<b>13,253</b>	<b>13,619</b>
<b>L. INSTITUTIONAL TELECOMMUNICATIONS</b>									
FiberNet-Operations (DTS)	975	1,060	1,182 +	1,182	1,213	1,245	1,277	1,310	1,344
FiberNet-Operations (DPWT)	240	249	249 +	249	255	262	269	276	283
FiberNet-CIP	1,000	1,970	1,735 <sup>6</sup>	1,735	1,760	1,735	1,610	1,535	1,460
Verizon-Cable Service to Public Buildings	0	0	0	0	0	0	0	0	0
COB Renovations - CIP	0	0	323 <sup>6</sup>	952	0	0	0	0	0
Advanced Transportation Management System (ATMS) - CIP	1,241	0	0	0	0	0	0	0	0
Park & Planning Technology Projects	0	284	75	75					
<b>SUBTOTAL</b>	<b>3,456</b>	<b>3,563</b>	<b>3,564</b>	<b>4,193</b>	<b>3,228</b>	<b>3,242</b>	<b>3,156</b>	<b>3,121</b>	<b>3,087</b>
<b>TOTAL EXPEND-PROGRAMS</b>	<b>13,737</b>	<b>14,108</b>	<b>15,388</b>	<b>16,175</b>	<b>15,389</b>	<b>15,771</b>	<b>16,044</b>	<b>16,374</b>	<b>16,706</b>
<b>OTHER USES OF CATV FUNDS -</b>									
Prior Year Adjustments	(601)	(410)	0	0	0	0	0	0	0
Transfer to the General Fund	0	0	0	0	0	0	0	0	0
<b>TOTAL OTHER USES &amp; ADJ. -</b>	<b>(601)</b>	<b>(410)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>SURPLUS (DEFICIT)</b>	<b>1,636</b>	<b>(234)</b>	<b>(469)</b>	<b>(244)</b>	<b>1,742</b>	<b>1,394</b>	<b>1,577</b>	<b>1,515</b>	<b>1,326</b>
<b>FUND BALANCE</b>	<b>2,642</b>	<b>2,408</b>	<b>812</b>	<b>2,164</b>	<b>3,906</b>	<b>5,300</b>	<b>6,877</b>	<b>8,392</b>	<b>9,718</b>
<b>FUND BALANCE per Policy Guidance</b>			<b>810</b>	<b>846</b>	<b>869</b>	<b>893</b>	<b>918</b>	<b>944</b>	<b>999</b>
<b>EXPENDITURES BY FUNDING SOURCE</b>									
Transfer to Gen Fund-Indirect Costs	174	194	202 <sup>1</sup>	202	208	214	214	214	214
Transfer to Gen Fund-Cable Opns	0	0	0 <sup>2</sup>	0	0	0	0	0	0
Trans to Gen Fund-Mont Coll Cable Fd	939	1,067	1,219 <sup>3</sup>	1,219	1,251	1,284	1,317	1,351	1,386
Trans to Gen Fund-Public Sch Cable Fd	1,238	1,383	1,521 <sup>4</sup>	1,521	1,560	1,601	1,643	1,686	1,730
Trans to Gen Fund-FIBERNET Operations	0	0	0 <sup>5</sup>	0	0	0	0	0	0
Transfer to CIP Fund	2,241	1,970	2,058 <sup>6</sup>	2,687	1,760	1,735	1,610	1,535	1,460
Transfer to the General Fund-Other	0	0	0	0	0	0	0	0	0
CATV Fund Direct Expenditures	9,145	9,494	10,388 +	10,546	10,610	10,937	11,260	11,588	11,916
<b>TOTAL EXPEND-FUNDING SOURCE</b>	<b>13,737</b>	<b>14,108</b>	<b>15,388</b>	<b>16,175</b>	<b>15,389</b>	<b>15,771</b>	<b>16,044</b>	<b>16,374</b>	<b>16,706</b>
<b>NOTES:</b>									
<sup>1</sup> Transferred from the Cable Television Special Revenue Fund to the General Fund-Indirect Costs.									
<sup>2</sup> Transferred to General Fund for Cable Operations in prior years.									
<sup>3</sup> Transferred to General Fund for Montgomery College Cable Fund.									
<sup>4</sup> Transferred to General Fund for Montgomery County Public Schools Cable Fund.									
<sup>5</sup> Transferred to General Fund for FIBERNET Operations in prior years.									
<sup>6</sup> Transferred to CIP Fund									
(+) Funded directly from the Cable Television Special Revenue Fund.									
(a) Maximum cable company contribution to fund municipal equipment									
(b) Currently Montgomery Community Television, Inc.									



## PEG NETWORK FY09-14 STRATEGIC PLAN

The PEG Network Strategic Plan is based on the premise that cost effective use of cable resources is best achieved when all PEG operations share a vision of how to deliver and promote the most effective public access media services and educational and government programming to our community. The goal of this strategic plan initiative is to:

- articulate our unified mission
- focus our combined energies and maximize utilization of our combined resources
- identify new uses of existing and emerging technologies to support our unified mission, and the individual mission of each PEG Network member, and
- define performance goals and objectives and measurements.

The activities of the PEG Network are determined largely by the priorities established in the Strategic Plan. This planning instrument is the basis for all decision-making at the PEG Network level. Capital and operating budget requests are reviewed for consistency with the plan as part of the Cable Plan approval process. Progress in achieving objectives is evaluated annually and the plan modified as necessary based on the evaluation findings. The FY09 Cable Plan budget request document formally proposes PEG Network performance measures for the first time. Interagency collaborative efforts to facilitate local access operators' effective use of the available cable resources for providing and promoting public access, educational and governmental programming and media services based upon its three traditional partnership areas (joint production, training, and promotion) is the foundation with County directed initiatives included as appropriate.

Proposed PEG Network Interagency Performance Measures	Actual FY	Actual FY	Actual FY	Est. FY	Rec'd FY	Proj'd FY
1. Joint Production/Programming (# of hours)						
2. Joint Use of Mobile Production Vehicle						
a. # of events supported						
b. # of hours of programming produced						
3. Joint Training:						
a. # of specialized training activities provided						
b. # of PEG staff trained						
4. Joint Promotion:						
e. # of TBD						
f. # of TBD						
5. County directed Initiatives (% completed)						
a.						
b.						
c.						
d.						
e.						

As with any strategic planning effort, it is important to re-evaluate the plan on a yearly basis in order to keep the plan effective and current. Our evaluation of our progress this past year has resulted in the development of the PEG Network FY09-14 Strategic Plan. We expect this plan to help us to continue to improve every aspect of our internal and external operations and to better support one another and serve the Montgomery County community.

## **ASSUMPTIONS OF THE PLAN**

- Montgomery County's population growth and its business, education, and training needs will continue to increase over the next 5-10 years. Diversity within the County's population will require community members and community organizations' greater use of specialized communication tools and equipment. Community members/organizations will require more access to cable resources to meet their individual time, location, and physical constraints. The County may need to expand and extend the availability of cable access resources to down county and up county areas of the community.
- The PEG Network strengthens the value of Montgomery County's PEG access channels and enriches communities across the region. Its members will regularly assess the community's access media needs to identify unfulfilled and/or emerging needs and to advance the public's interest in community access to all technologies in electronic media. Its members will provide education on the value of PEG access to the community at large and persons in position of authority. The County and PEG Channel Operators' partnership efforts and responsibilities and practices will be regularly evaluated for quality and continuous improvement to strengthen the value of the PEG Network organization to its members and to the community.
- The County and members of the PEG Network will increase electronic connectivity with both public and private sectors for the efficient delivery of programs and services. Members of the PEG Network will collaborate with local government and educational agencies for planning and use of the telecommunications infrastructure in the franchise area. PEG Network members will continue to enhance their current and emerging technology capabilities through the use of new telecommunications techniques and products for productivity and efficiency in operations and interface with their members and the public.
- Rapid changes in information technology hardware and software will increase the challenge PEG channels face for effective operations and interoperability as well as for recruiting, training and retaining qualified personnel. Cable resource growth may be constrained in the next 5-10 years, limiting the individual PEG entities' ability to maintain the current level of operations and hire personnel. PEG entities' capability for growth may be limited if Cable Fund resources are appropriated for other initiatives.

## **PEG NETWORK MISSION**

The PEG Network will facilitate collaboration among the local access operators in providing and promoting the most effective public access, educational and government programming and media services to the Montgomery County community using current and emerging technologies.

## **OVERVIEW OF FY09-14 PEG NETWORK GOALS AND PERFORMANCE MEASURES**

- Goal 1:** The PEG Network will facilitate delivery of public access media services and educational and government programming to the Montgomery County community through coordination of partnership resources.
- Goal 2:** The PEG Network will facilitate promotion of public access media services and educational and government programming to the Montgomery County community through coordination of partnership resources.

### SUMMARY OF PROPOSED FY09-14 CABLE PLAN BUDGET REQUEST

	FY09	FY10	FY11	FY12	FY13	FY14
<b>GOAL 1</b>	1,775,944	3,363,100	1,927,255	2,029,616	2,117,346	2,219,612
<b>GOAL 2</b>	35,000	36,800	38,600	40,500	42,500	44,000
<b>TOTAL</b>	1,810,944	3,399,900	1,965,855	2,070,116	2,159,846	2,263,612

### DETAIL GOALS AND OBJECTIVES

**GOAL 1:** The PEG Network will facilitate delivery of public access media services and educational and government programming to the Montgomery County community through coordination of partnership resources.

**Objective 1:** To implement continuous improvement processes and practices in the use and management of PEG assets to become a high performance organization; and expand the PEG Network's participation in external consortia that will enhance the efficiency and quality of PEG services and programming.

***Implementation Strategies (continuing):***

1. Conduct PEG Network meetings and PEG Network committee meetings on a regular basis.
2. Develop and coordinate PEG Network budget requests and PEG Network initiatives with the Office of Cable and Communications Administration.
3. Attend Cable Communications Advisory Committee meetings on a regular basis
4. Attend County Council and Management and Fiscal Policy Committees meetings on cable and telecommunications issues.
5. Develop, print, distribute and present PEG Network annual report.
6. Participate in regional and national chapters of cable and telecommunications organizations.
7. Utilize electronic technologies to support PEG Network communications.
8. Communicate effectively with key personnel in administrative areas.

***Implementation Strategies (new):***

1. FY09: Implement PEG Network Memorandum of Understanding (MOU) to establish a continuous improvement system of internal management that governs the decision-making, implementation, and evaluation activities of the PEG Network partnership. Implement arrangements for the reporting, storage and distribution of PEG partnership information (to include but not be limited to data related to joint production, joint training, joint promotion; joint County directed initiatives, budget requests; PEG Channel data related to monthly/quarterly/yearly achievements, budget requests).

***Performance Measures:*** Relates to measures 1, 2, 3, 4, and 5.

**Objective 2:** To design and maintain a comprehensive professional development plan for PEG Network staff to use current and emerging technologies efficiently and effectively in PEG Network operations.

***Implementation Strategies (continuing):***

1. Develop and evaluate an annual training plan for the PEG Network.
2. Optimize individual and collaborative PEG Network member training opportunities.
3. Provide for internal and external training and skill enhancement opportunities.
4. Participate in local, regional and national trade associations.

**Performance Measures:** Relates to measures 3 and 4.

**Objective 3:** To maintain and/or expand the PEG Network's technology resources based on PEG entities' operational requirements and provide the necessary support base for on-going management operations and maintenance.

**Implementation Strategies (continuing):**

1. Continue to implement a digital migration and equipment upgrade plan for County Cable Montgomery, Montgomery College, Montgomery County Public Schools and Montgomery Community Television PEG operations.
2. Continue to maintain an Emergency Replacement account in the PEG Network administrative budget.
3. Research, specify and procure cost-effective new technologies.

**Performance Measures:** Relates to measures 1, 2, 3, and 4.

**Objective 4:** To increase the number and quality of media resources available to the community and the PEG Network members, improve access to these resources, and provide a means for PEG Network mobile production capabilities at locations throughout the County.

**Implementation Strategies (new):**

1. Review and evaluate Mobile Production Vehicle Policy and Procedures for continuous improvement.

**Performance Measures:** Relates to measures 1, 2, 3, 4, and 5.

**Objective 5:** To upgrade and maintain PEG Network services and programming to enable PEG operators to address the specialized needs of the County's diverse population.

**Implementation Strategy (continuing):**

1. Continue to develop and produce Community Programming projects.
2. Develop and implement plan for closed captioning of select PEG programming.
3. Develop and implement plan for foreign language versioning of select PEG programming.

**Performance Measures:** Relates to measures 1, 2, 3, 4, and 5.

**GOAL 2:** The PEG Network will facilitate promotion of public access media services and educational and government programming to the Montgomery County community through coordination of partnership resources.

**Objective 1:** To increase the availability of PEG Network promotional resources through in-house and/or contractual marketing support and improved use of information technology resources.

**Implementation Strategies (continuing):**

1. Contract external marketing support.
2. Develop print promotions.
3. Develop on-air promotions.
4. Maintain a PEG Network web site on the world wide web.
5. Investigate new and emerging technologies for web streaming/digital distribution.
6. Participate in community events.
7. Meet regularly with service organizations and non-profits.
8. Participate in local and national trade association meetings, conferences and seminars.

**Performance Measures:** Relates to measures 4 and 5.